

## SCHEDULE HC — THRIFT HOLDING COMPANY

*Throughout these instructions, **you** and **your** refers to the reporting savings association and its consolidated subsidiaries; **we** and **our** refers to the Office of Thrift Supervision.*

### GENERAL INSTRUCTIONS

Complete this schedule if you are owned by a thrift holding company, except if your holding company is a registered Bank Holding Company supervised by the Federal Reserve. If your holding company owns more than one thrift institution, we will advise you which institution should file this report. We will also advise you which holding company(ies) to report if you are owned by more than one. You should continue to report for each holding company designated until advised otherwise.

Unless otherwise instructed, report all dollar amounts in accordance with GAAP for each designated holding company. Where it is appropriate under GAAP to consolidate one or more of the holding company's subsidiaries (which may or may not include your thrift), the amounts in the "Consolidated" column should reflect consolidation of those subsidiaries. The amounts in the "Parent Only" column should reflect the holding company's investment in subsidiaries under the equity method of accounting. In the infrequent circumstance where it is not appropriate under GAAP to consolidate any of the holding company's subsidiaries, the amounts in the "Consolidated" column should be left blank.

If the holding company has a quarter end other than a calendar quarter end, you may use data from the fiscal quarter ending within the reporting calendar quarter. For example, if the holding company's calendar year end is October, its **fiscal quarter ends** are January, April, July, and October. You should use its fiscal quarter ending January 31 for the March 31 TFR, April 30 for June 30, July 31 for September 30, and October 31 for December 31.

If your holding company is an insurance company, **and** does not prepare financial statements for external use in conformity with GAAP, you may file this data from financial statements prepared in conformity with statutory accounting principles for insurance companies.

Answer Supplemental Questions (HC810 through HC880) for each designated holding company and its subsidiaries for activities that occurred during the quarter. HC810 through HC875 require either a **Yes** or **No** answer. HC876 through HC880 may be left blank if not applicable.

For purposes of the Supplemental Questions only (HC810 through HC880), the term **subsidiary** means any company that is controlled (as defined in 12 CFR §574.4) directly or indirectly by the holding company. A **significant subsidiary** is a subsidiary that accounts for five percent or more of the consolidated assets

of the company or five percent or more of the consolidated gross revenue of the company, or engages in transactions with the thrift.

You must file Schedule HC no later than the 45<sup>th</sup> day following the end of the **calendar** quarter. We do **not** make public Schedule HC data for individual holding companies. We do make public aggregate data for Schedule HC.

## **HC100: HOLDING COMPANY NUMBER**

Report the OTS docket number of the holding company for which you are reporting. All holding company docket numbers begin with an H.

## **HC110: FISCAL YEAR END**

Enter the month of your current fiscal year-end for audited financial statement purposes. In some cases this may not correspond to the tax year-end.

## **HC125: STOCK EXCHANGE TICKER SYMBOL**

List the symbol if the stock of the holding company is traded on a public exchange.

## **HC 130: SEC FILE NUMBER**

If the holding company must file periodic securities disclosure documents with the SEC pursuant to the Securities Exchange Act of 1934, report the SEC file number. Examples of disclosure documents are Form 10-K and Form 10-Q.

If the reporting holding company does not file periodic securities disclosure documents with the SEC but its parent or top tier holding company does file, you should report the SEC file number of that parent or top tier holding company.

## **HC140: WEBSITE ADDRESS**

If one exists, report the Internet address of the reporting holding company or of the appropriate entity within the corporate structure where publicly available financial information is available.

## **HC210/HC600: TOTAL ASSETS**

Report total assets.

---

**HC220/HC610: TOTAL LIABILITIES**

Report total liabilities.

**HC620 MINORITY INTEREST**

Report minority interest in common or preferred stock of consolidated subsidiaries where it is appropriate under GAAP to report this amount in a "mezzanine" category, that is, between liabilities and equity. Do not report on this line if the amount is included in line HC220/HC610, Total Liabilities.

**HC240/HC630: TOTAL EQUITY**

Report total equity.

**HC250/HC640: NET INCOME FOR THE QUARTER**

Report net income for the quarter.

**INCLUDED IN TOTAL ASSETS:****RECEIVABLE FROM SUBSIDIARIES:****HC310: Thrift**

Report the holding company's receivable from thrift subsidiaries, which is sometimes referred to as "advances to" or "due from".

**HC320: Other Subsidiaries**

Report the holding company's receivable from subsidiaries other than thrift subsidiaries, which is sometimes referred to as "advances to" or "due from".

**INVESTMENT IN SUBSIDIARIES:****HC330: Thrift**

Report the holding company's investment in thrift subsidiaries in a manner that reflects the equity method of accounting.

**HC340: Other Subsidiaries**

Report the holding company's investment in subsidiaries other than thrift subsidiaries in a manner that reflects the equity method of accounting.

**INTANGIBLE ASSETS****HC350/HC650: Mortgage Servicing Assets**

Report the carrying amount of mortgage servicing assets.

**HC360/HC655: Nonmortgage Servicing Assets and Other**

Report the balance of nonmortgage servicing assets and other intangible assets.

**Include** on this line the following intangible assets taken from examples provided in FASB Statement No. 141:

1. Goodwill.
2. Customer relationships and customer lists, including core deposit premiums.
3. Employment agreements.
4. Noncompete agreements.
5. Lease agreements.
6. Computer software costs.

**HC370/HC660: DEFERRED POLICY ACQUISITION COSTS**

Report deferred policy acquisition costs incurred by insurance companies. DPAC includes variable acquisition costs such as commissions and underwriting and policy issuance expenses related to both new and renewal insurance policies and annuities.

**INCLUDED IN TOTAL LIABILITIES (EXCLUDING DEPOSITS):**

***Borrowings***, as the term is used here, means short-term or long-term debt, negotiated with specified terms, usually including interest rates and repayment dates. ***Borrowings*** exclude deposits and transactional liabilities, such as accounts payable, income taxes payable, and accrued liabilities.

**PAYABLE TO SUBSIDIARIES:****Thrift Subsidiaries:****HC410: Transactional**

Report the holding company's payable to thrift subsidiaries, which is sometimes referred to as "advances from" or "due to". Do not include amounts reported on HC420.

**HC420: Debt**

Report the amount of borrowings the holding company owes to the reporting thrift. Do not include amounts reported on HC410.

**Other Subsidiaries:****HC430: Transactional**

Report the holding company's payable to subsidiaries other than thrift subsidiaries, which is sometimes referred to as "advances from" or "due to". Do not include amounts reported on HC440.

**HC440: Debt**

Report the balance of the holding company's borrowings from its subsidiaries other than thrift subsidiaries. Do not include amounts reported on HC430 and HC445.

**HC445/HC670: TRUST PREFERRED INSTRUMENTS**

Trust preferred securities are typically issued to third party investors by a wholly owned investee of the holding company. The holding company typically borrows from the investee substantially all the net proceeds from issuance of the trust preferred securities.

Report on HC445 the balance of the holding company's borrowings from the investee that issued the trust preferred securities.

Where the holding company's financial statements reflect consolidation of the financial statements of the investee that issued the trust preferred securities, report on HC670 the balance of the trust preferred securities - not the balance of the holding company's borrowings from the investee. Where the investee's financial statements are consolidated with those of the holding company, the holding company's borrowings from the investee are eliminated in consolidation.

Where the holding company's financial statements do not reflect consolidation of the financial statements of the investee that issued the trust preferred securities, report on HC670 the balance of the holding company's borrowings from the investee that issued the trust preferred securities - not the balance of the trust preferred securities.

**HC450/HC680: OTHER DEBT MATURING IN 12 MONTHS OR LESS**

Report all borrowings excluding deposits, payable to subsidiaries, and trust preferred securities that you would classify as current liabilities if the holding company were to present a classified balance sheet. Include such borrowings that, within the next 12 months, either (1) contractually mature; (2) are callable at the option of the lender; or (3) otherwise become due and payable.

**Callable**, as the term is used here, refers to an option by the lender to require repayment of the borrowing before its contractual maturity.

A **classified balance sheet** is one that includes subtotals for current assets and current liabilities. Most thrift holding companies do not present a classified balance sheet. However, for purposes of HC450/HC680 and HC460/HC690, classify all borrowings as either current or noncurrent. The parameters of current liabilities are detailed in Accounting Research Bulletin No. 43, *Restatement and Revision of Accounting Research Bulletins*, Chapter 3A, as revised by SFAS No. 78, *Classification of Obligations That Are Callable by the Creditor*.

**Example:** A holding company's borrowings, on a consolidated basis, include a FHLBank advance where the contractual maturity date is beyond the next 12 months. However, beginning on a date within the next 12 months, the FHLBank may exercise its option to require immediate repayment of the advance. You should include that advance in line HC450/HC680.

**HC460/HC690: OTHER DEBT MATURING IN MORE THAN 12 MONTHS**

Report all borrowings (other than payables to subsidiaries and trust preferred securities) **except**:

1. Debt maturing in 12 months or less reported on HC450/HC680.
2. Deposit and escrow liabilities held by you or any other subsidiary depository institution.

**REFLECTED IN NET INCOME FOR THE QUARTER:****DIVIDENDS:****HC525: From Thrift Subsidiaries**

Report dividends from thrift subsidiaries recognized by the holding company under the equity method of accounting.

**HC535: From Other Subsidiaries**

Report dividends from non-thrift subsidiaries recognized by the holding company under the equity method of accounting.

---

## INTEREST EXPENSE:

### HC545/HC710: Trust Preferred Instruments

Report on HC445 the interest expense on the holding company's borrowings from the investee that issued the trust preferred securities.

Where the holding company's financial statements reflect consolidation of the financial statements of the investee that issued the trust preferred securities, report on HC710 the dividends paid on the trust preferred securities - not the interest expense on the holding company's borrowings from the investee. When the investee's financial statements are consolidated with those of the holding company, the interest expense on the holding company's borrowings from the investee is eliminated in consolidation.

Where the holding company's consolidated financial statements do not reflect consolidation of the financial statements of the investee that issued the trust preferred securities, report on HC710 the interest expense on the holding company's borrowings from the investee that issued the trust preferred securities - not the dividends paid on the trust preferred securities.

### HC555/HC720: All Other Debt

Report interest expense, excluding interest expense on trust-preferred instruments and on deposit and escrow liabilities held by a subsidiary depository institution.

### HC565/HC730: NET CASH FLOW FROM OPERATIONS FOR THE QUARTER

Report the net increase or decrease in cash and cash equivalents from operating activities for the quarter, as it would appear in a statement of cash flows prepared in accordance with FASB No. 95. Do not include any change in cash and cash equivalents from investing and financing activities.

## SUPPLEMENTAL QUESTIONS

### HC810: Have any significant subsidiaries of the holding company been formed, sold, or dissolved during the quarter?

Check **Yes** only if this activity occurred during this quarter. Do not include any organizational structure changes that occurred during a prior period. A significant subsidiary accounts for five percent or more of the consolidated assets of the structure or five percent or more of the consolidated gross revenue of the structure, or engages in covered transactions with the thrift as described in §563.41. If you are an insurance company, do not include a response for activity in Separate Accounts.

### Is the holding company or any of its subsidiaries:

Check **Yes** for each that may apply to any organization within the holding company structure, including the holding company itself. More than one may be checked if appropriate. Answer **No** if not applicable. The term "subsidiary" means any company which is owned or controlled directly or indirectly by a person, and

includes any service corporation owned in whole or in part by a savings association, or a subsidiary of such service corporation. As the term is used here, a “subsidiary” may be a company whose assets and liabilities are not consolidated with those of the holding company.

**HC815:** *A broker or dealer registered under the Securities Exchange Act of 1934?*

**HC820:** *An investment adviser regulated by the Securities Exchange Commission or any State?*

**HC825:** *An investment company registered under the Investment Company Act of 1940?*

**HC830:** *An insurance company subject to supervision by a State insurance regulator?*

**HC835:** *Subject to regulation by the Commodity Futures Trading Commission?*

**HC840:** *Regulated by a foreign financial services regulator?*

**HC845:** **Has the holding company appointed any new senior executive officers or directors during the quarter?**

Check **Yes** if there has been a change during the quarter.

**HC850:** **Has the holding company or any of its subsidiaries entered into a new pledge, or changed the terms and conditions of any existing pledge, of capital stock of any subsidiary savings association that secures short-term or long-term debt or other borrowings of the holding company?**

Check **Yes** if there has been a change during the quarter.

**HC855:** **Has the holding company or any of its subsidiaries implemented changes to any class of securities that would negatively impact investors?**

Check **Yes** if there has been a change during the quarter. Examples of a change that could negatively impact investors could include, but is not limited to: default, collateral substitution, changes in repayment dates, interest dates, voting rights, or conversion options.

**HC860: Has there been any default in the payment of principal, interest, a sinking or purchase fund installment, or any other default of the holding company or any of its subsidiaries during the quarter?**

Check **Yes** if there has been a default during the quarter.

**HC865: Has there been a change in the holding company's independent auditors during the quarter?**

Check **Yes** if there has been a change during the quarter.

**HC870: Has there been a change in the holding company's fiscal year-end during the quarter?**

Check **Yes** if there has been a change during the quarter.

**HC875: Does the holding company or any of its GAAP consolidated subsidiaries (other than the reporting thrift) control other U. S. depository institutions?**

Check **Yes** if the holding company controls a U. S. depository institution (federal or state chartered) and it is included in its consolidated financial statements.

**HC876 Through HC880: If located in the U.S. or its territories, provide the FDIC certificate number:**

If the answer to HC875 is **Yes**, list the five digit FDIC certificate number for each institution. If the answer to HC875 is **No**, the lines should be left blank.